

Committee on Resources

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Hafa adai, Mr. Chairman. It is with great esteem and high regard that I appear before you and the Committee to present my strong support for H.R. 2522.

H.R. 2522 is an act to amend the Organic Act of Guam to authorize the Secretary of the Interior to reduce, release, or waive amounts owed by the Government of Guam to the Federal Government to offset unreimbursed Compact impact expenses.

I want to present to the Committee Legislative Resolution 52 unanimously passed by the 27th Guam Legislature in full support of H.R. 2522.

For the past 17 years, Guam has fulfilled a promise made by the United States to the Freely Associated States of Micronesia, by providing health, educational and economic opportunities to its citizens.

With the provision for open immigration and habitual residency granted to FAS citizens in the United States, Congress with its foresight recognized that the choice most attractive to these new members of the American umbrella in the Pacific was the migration to the closest American community, such as Guam. It also foresaw the consequences migration would have on our small island. Congress clearly stated that "in approving the compact, it is not the intent of Congress to cause any adverse consequences for the United States territories and Commonwealths or the State of Hawaii."

In clearly stating its intent, I commend Congress for being able to "see around corners" and include provisions to address the integration of these FAS citizens into our communities and strain it places on our limited resources. It tasked the President to report to Congress with respect to the impact of the Compact on the United States territories and Commonwealths and on the State of Hawaii. It later allowed the Governors to submit these reports directly to the Congress for its consideration and action.

It has been 17 years since we since we have walked the path of political and economic development with our neighboring freely associated states. While progress has come slowly in the development of local opportunities in these states, Guam and our sister Pacific American communities, the Commonwealth of the Northern Marianas and Hawaii, have attracted the migrating citizens seeking education, health and economic advancement for themselves and their families. And we have supported and paid for their opportunities, paid for them with our limited resources.

We are not coming to Congress with empty pockets and open hands asking for Congress to fill them without justification or authority. As we have fulfilled Congress' promise to its newest Pacific partners, we appear here today to ask that Congress fulfill its commitment to its territories, and in this specific instance, our home, Guam.

In U.S. P.L. 99-239, the Compact of Free Association, Congress was declaratory in its commitment to redress adverse consequences. It stated "...if any adverse consequences to the United States territories and commonwealth and the State of Hawaii result from the implementation of the Compact of Free Association, the Congress will act sympathetically and expeditiously to redress those adverse consequences."

We appear here today, without shame, not seeking charity but seeking the grace of Congress and its honorable members. With H.R. 2522, Guam is not asking for special treatment with regard to repayment of federal funds. In this case, Guam is both a lender and a borrower; we only seek an equitable repayment plan. It is estimated that the federal government has yet to reimburse Guam for more than \$150,000,000.00 in Compact impact expenses through fiscal year 2003, which is about 80% of the total impact costs.

Guam has implemented the commitment of the United States in the Compacts of Free Association, and we will continue to honor them as long as they are in effect and as long as our resources permit. This is our duty as Americans and our sincere desire to continually advance our nation's interests in the Western Pacific. Guam has honored these pledges in good faith, despite our absence from direct participation in

Compact negotiations regarding migration and despite the stress this migration places on our finances.

H.R. 2522 will help Guam recover the costs that have accumulated since the implementation of the Compacts of Free Association, which allowed unrestricted migration to the United States from the Federated States of Micronesia and the Republic of the Marshall Islands. Guam has been disproportionately impacted by the influx of immigrants resulting from the Compact of Free Association, due to its physical proximity to those newly-established sovereignties.

Years of increasing Compact immigration have contributed to the debilitation of our local government services upon which all of our people rely. Among the many systems operated by the government of Guam, public education and the public health care system—cornerstones of any government—have absorbed the hardest impact. Our public schools are overcrowded and linger in disrepair. Our only civilian hospital as of FY2001 was owed \$21 million by FAS citizens. Many of our public services are already spread thin by other factors and they are spread even more thinly by the effects of demands placed upon them by the compact migration.

At this point, the offsetting of costs, instead of direct reimbursement, appears to be a more realistic and immediate Compact impact relief for Guam. Guam has not received the entire amounts it has been submitting to the federal government for Compact impact reimbursement for 17 years, and likely will not be receiving those amounts in the near future. Guam, like the rest of the United States and the federal government itself, in recent years has had to operate with decreased revenues. Indeed, Interior officials have indicated in the past that budgetary pressures have been one of the reasons that Compact impact funding for Guam has remained inadequate. Consequently, Guam may not be able to expect a full reimbursement of Compact impact costs. At the same time, Guam will encounter challenges in finding a way to repay its obligations to the federal government. From our cash-strapped standpoint, this indirect approach is more attractive than receiving a partial reimbursement or no reimbursement at all.

H.R. 2522 should not be seen as an indicator that Guam cannot properly manage our responsibilities. On the contrary, we have been vigilantly mindful of our obligations—it is precisely this mindfulness that brought us here today. We have been fulfilling our obligations to the United States government, and we expect nothing less than likewise from the United States government.

The financial conditions that bring us before this Committee today were largely due to circumstances that befall other communities. In the past decade, Guam has been subjected to several highly destructive typhoons and earthquakes. Furthermore, because our small economy is highly dependent upon tourism, the effects of the Asian economic crisis, September 11, and the recent SARS scare have drastically affected the island's businesses. Compact migration is only one of a list of factors beyond Guam's control that adversely impact our economy and ability to pay our debt to the federal government. In short, the money that could have been used to repay these debts to the federal government have had to be used for disaster recovery, economic recovery, and Compact impact.

As we seek to meet to repay our federal obligations, we have no choice but to burden our citizens. These come in the form of increased cost for services and higher taxes on our local population in order to continue essential services to everyone living on Guam. If we were to receive full reimbursement for compact impact as foreseen by Congress in 1986, when it passed the compacts, we can reduce this burden to our people.

H.R. 2522 is not a way for Guam to wash its hands clean of the spirit of the Compacts of Free Association. Rather, Guam is in every way an integral member of its Western Pacific neighborhood, and the success of our island neighbors represents the success of the region as whole. Compact migration does have some positive effects on Guam's economy. Citizens of the freely associated states who reside on Guam contribute to the island's economy in terms of employment and taxes. Still, many migrants from the FAS who live on Guam continue to live under the poverty level. Moreover, the additional population did not bring with it a corresponding expansion in our economy. As a result, more people have had to share the same level of services. Guam recognizes that as the hub of Micronesia, it must take the lead in promoting greater economic prosperity for the region. However, this cannot occur if Guam is hindered by the diversion of its limited resources to Compact obligations without proper and prompt compensation.

In reports submitted to the federal government in the area of education, specifically identified as an area of impact that qualifies for compensation, we find 3,530 children of FAS citizens enrolled in the local public schools during school year 2000-2001.

Once upon a time, the federal government paid the local school system the cost of educating military and other federal dependents attending the local schools. It calculated and paid a per pupil cost of approximately \$4,017.00. This is the cost that the federal government accepted and remitted to the local government as the cost impact for providing education to each child. If we are to use this federally accepted cost to calculate the impact on our education system of FAS children, Guam should have received \$14,180,010.00 in that year in compact impact for education alone.

The costs are just as extraordinary for the areas of public health and other social services. Our prison impact is over \$5,000,000.00. Police services are over \$11,000,000.00, and health and welfare totals over \$64,000,000.00 over the current life of the compact.

We ask that Congress recognize the increased demands on the limited resources that we have shared with freely associated citizens on behalf of the United States. As Congress so righteously embedded in U.S. P.L.99-239, providing for the impact costs, "there are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985 such sums as may be necessary to cover the costs, if any incurred by the State of Hawaii, the territories of Guam and American Samoa, and the Commonwealth of the Northern Mariana Islands resulting from increased demands placed on educational and social services by immigrants from the Marshall Islands and the Federated States of Micronesia."

We are now at the time when the United States and the Freely Associated States are reauthorizing the compact and it is our fortune to avail ourselves of a path not taken in H.R. 2522.

One of my favorite poems is "The Road Not Taken", by Robert Frost, the nation's poet laureate bestowed the title by President John F. Kennedy. It speaks about coming upon a fork in the road and deciding to take one road over the other and how once we set upon one path, time and circumstances prevent us from ever having the opportunity to return to the fork and change paths.

In addressing the compact impact reimbursement, Congress had set us upon a path over the last 17 years. Today H.R. 2522 gives us an opportunity to set upon a different path. Seldom is one presented such an opportunity and when fortune graces one with such, he must take what he has learned from his first choice, when returning to the fork in the road and setting anew upon the road not taken. Today, let us at this fork in the road, embark upon the road not taken and we will all be better for it.

Once again, on behalf of the 27th Guam Legislature, I am in full support of HR 2522, and I thank you once again for this opportunity to present our position.